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DE RUEHSB #0672 2211134
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FM AMEMBASSY HARARE
TO RUEHC/SECSTATE WASHDC PRIORITY 3269
INFO RUCNSAD/SOUTHERN AF DEVELOPMENT COMMUNITY COLLECTIVE
RUEHUJA/AMEMBASSY ABUJA 2038
RUEHAR/AMEMBASSY ACCRA 2204
RUEHDS/AMEMBASSY ADDIS ABABA 2323
RUEHRL/AMEMBASSY BERLIN 0855
RUEHSW/AMEMBASSY BERN 0016
RUEHBU/AMEMBASSY BUENOS AIRES 0001
RUEHBY/AMEMBASSY CANBERRA 1600
RUEHDK/AMEMBASSY DAKAR 1958
RUEHJA/AMEMBASSY JAKARTA 0041
RUEHKM/AMEMBASSY KAMPALA 2379
RUEHNR/AMEMBASSY NAIROBI 4810
RUEHVI/AMEMBASSY VIENNA 0027
RUEAIIA/CIA WASHDC
RUEHGV/USMISSION GENEVA 1472
RHEHAAA/NSC WASHDC
RHMFISS/JOINT STAFF WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RHEFDIA/DIA WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC
RUZEJAA/JAC MOLESWORTH RAF MOLESWORTH UK
RUZEHAA/CDR USEUCOM INTEL VAIHINGEN GE

C O N F I D E N T I A L HARARE 000672

SIPDIS

AF/S FOR G. GARLAND
AF/EPS FOR ANN BREITER
NSC FOR SENIOR AFRICA DIRECTOR B. PITTMAN
STATE PASS TO USAID FOR L.DOBINS AND E.LOKEN
TREASURY FOR J. RALYEA AND T.RAND
COMMERCE FOR BECKY ERKUL
ADDIS ABABA FOR USAU
ADDIS ABABA FOR ACSS

E.O. 12958: DECL: 08/08/2018
TAGS: [PGOV](#) [ECON](#) [ASEC](#) [ZI](#)
SUBJECT: ZIMBABWE SEARCHING FOR ALTERNATIVE SUPPLIER OF
BANKNOTE PAPER

REF: A. HARARE 0653
[1](#)B. VIENNA 01068
[1](#)C. HARARE 0162

Classified By: Ambassador James D. McGee for reason 1.4 (d)

[1](#)1. (C) Banker James Mushore, who tipped us off in February about the planned media disclosure of German banknote printer Giesecke & Devrient's (G&D) business with Zimbabwe (Ref C), updated emboffs on July 31 on the Reserve Bank of Zimbabwe's (RBZ) pursuit of alternative suppliers of secure paper. He said that Alan Marimbe, head of currency management at the RBZ, and Eliah Mutowo, General Manager of Fidelity Printers, were communicating with potential suppliers in Indonesia, Argentina and Zimbabwe.

[1](#)2. (C) According to Mushore's unnamed contact at Fidelity Printers, Pura Group in Indonesia had offered to deliver banknote paper within 5-6 weeks of signing a contract. Mushore said an unnamed Argentine had visited Harare and promised the RBZ that an Argentine company could deliver double the quantity of banknotes that G&D had delivered. Mushore said Marimbe and Mutowo had recently traveled to Argentina to investigate the offer but had been denied entry despite the contact's assurances of visa issuance upon arrival. Locally, Mushore said that the RBZ was trying to launch a banknote printing operation at Kadoma Paper Mills but it was "not working out." Mushore also said the RBZ had approached local checkbook printer Celsys about printing

banknotes.

¶3. (C) Mushore said that the Swiss company SICPA supplied Fidelity Printers with secure ink, and that Fidelity had abundant ink in stock. Nevertheless, SICPA was allegedly considering setting up an associate company in South Africa to bypass any sales prohibitions that could arise. Mushore added that Fidelity had launched a witch-hunt to trace the source of information leaked to the media about its use of banknote design software from the Austrian company JURA JSP (Ref B).

COMMENT

¶4. (C) Without its regular source of secure banknote paper, and having issued revalued currency one week ago (Ref A), the GOZ's ability to locate an alternate secure paper supplier in Zimbabwe's hyperinflationary environment is critical. END COMMENT.

MC GEE